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Mr. Robert M. Macy  
Chief, International Division  
Bureau of the Budget  
Washington 25, D. C.

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By: <u>008</u>

Dear Mr. Macy:

This is in reply to Mr. Hart Perry's letter of 1 October 1957, requesting our comment on a draft call for Fiscal Year 1958 foreign intelligence costs. The draft call is substantially the same, except for format, as the information submitted for prior years by this office. It is suggested that the format of the report remain unchanged and the information requested in the proposed new section 5 be shown as a footnote to the grand total as follows:

The above total includes additions to capital equipment for:

- a. Buildings.....\$\_\_\_\_\_
- b. Aircraft.....\$\_\_\_\_\_
- c. Vehicles.....\$\_\_\_\_\_
- d. Other Equipment.....\$\_\_\_\_\_

Total.....\$\_\_\_\_\_

This suggestion is made because a report in the proposed form could include a substantial amount for additions to capital equipment and no information indicated as to the major activity for which the additions to capital equipment were utilized. Also in many cases, it will not be possible to determine the direct cost of additions to capital equipment; and thus only a pro rata share of this type of expense could be reflected. In such cases, this information would be so indicated.

We find that the above agencies participate in intelligence activities, although in some cases only in the scientific field and in testing and evaluating of other data for CIA.

The above comments were discussed in more detail with Messrs. Harry E. Wilhelm and Frank Ecker of your office, and they indicated a favorable attitude toward the suggestions made.

Very truly yours,

Signed

L. K. White  
Deputy Director

BD/COMP/JLB/HEL/hlr (12 November 1957)

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